

May 22, 2003

TO: Robert A. Schroeder, EQB Chair

FROM: Larry B. Hartman (Tel: 651-296-5089)

RE: Application of Minnesota Soybean Processors for a Pipeline Routing Permit for 6.4 Miles of New 4.5-inch Natural Gas Pipeline in the Counties of Jackson and Nobles (EQB Docket # 03-62-PRP-MnSP)

Action Requested: In April, 2003 Minnesota Soybean Processors (MnSP) submitted an application for a pipeline routing permit and a partial exemption from pipeline route selection procedures. The next step is for the chair to accept, conditionally accept, or reject the application.

Acceptance of the application allows staff to initiate the review requirements of the pipeline routing rules (Chapter 4415). At the conclusion of the process the board will make a determination on whether to grant or deny the partial exemption request and issue or deny the pipeline routing permit.

Staff Recommendation: EQB staff has reviewed the application for compliance with the requirements of Minn. Rules, parts 4415.0115 through 4415.0165 (See Rule attachment). The MnSP application provides the information required by the pipeline routing rules. Therefore, EQB staff recommends that the chair of the board accept the MnSP application. Attached is a project summary and a letter for your signature notifying MnSP of the chair's decision to accept the application. Also attached is memorandum from me to the board members and technical representatives notifying them of the application acceptance and that EQB staff will implement the review and notice requirements.

Review Process: The MnSP application is being reviewed under the partial exemption process, which is an abbreviated form of review and permitting for pipelines. EQB review under this process does not require the applicant to identify an alternative route or require the EQB to hold a contested case hearing. EQB staff will hold a public information meeting in the area to receive comments on the application or any concerns people may have. To grant a partial exemption the EQB must determine there is no substantial environmental impact. When a partial exemption is granted, the EQB issues a pipeline routing permit with conditions that address construction and restoration practices.

EQB staff expects this project to be placed on the EQB's agenda for a decision in July 2003. The EQB staff project schedule assumes nothing out of the ordinary in the proceedings and MnSP compliance with the requirements of the pipeline routing rules.

PROJECT SUMMARY
MINNESOTA SOYBEAN PROCESSORS
EQB Docket # 03-62-PRP-MnSP

Project Purpose and Description. Minnesota Soybean Processors (MnSP) is proposing to construct a 6.4 mile long natural gas pipeline from an interconnection with Northern Natural Gas Pipeline Company (NNPL) approximately six miles south of Brewster, MN in Jackson County, MN. From that point the pipeline extends north to the MnSP processing plant under construction in Brewster in Nobles County as shown on the accompanying map.

The pipeline project will be a 4.5-inch outside diameter steel pipeline approximately 6.4 miles in length.

The proposed pipeline will provide additional natural gas service to the MnSP processing facility being built just north and east of Brewster.

Nearly all of the lands crossed by the proposed pipeline are actively farmed and tiled. The proposed pipeline right-of-way does not follow or utilize any existing rights-of-way. Therefore, new easements have been acquired from approximately 14 landowners along the preferred route. This route was developed in consultation with the affected landowners. It is expected that restoration of agricultural lands and drain tiles may be the only issues in reviewing this project. MnSP will have its drain tile contractor at the public information meeting and MnSP has indicated that it will work with all landowners to address any concerns they have. I have spoken with a few of the landowners and none of them has indicated any problem with the proposed pipeline.

Land Requirements and Existing Facilities. Easements on all properties crossed (approximately 14) will need to be acquired. MnSP will acquire a permanent right-of-way of 30 feet in width. Approximately 22 acres of new right-of-way will be acquired. In most cases, MnSP will also acquire temporary work space approximately 20 feet in width adjacent to the right-of-way for construction purposes. Temporary work space will be around 15 acres.

Cost and Schedule. The estimated cost of the proposed pipeline is approximately \$1.1 million. The planned in-service date is October 1, 2003.